



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
RESEARCH DEVELOPMENT AND ACQUISITION  
103 ARMY PENTAGON  
WASHINGTON DC 20310-0103

30 SEP 1997

REPLY TO  
ATTENTION OF

SARD-PI

MEMORANDUM FOR DIRECTOR, DEFENSE FINANCE AND ACCOUNTING  
SERVICE, 1931 JEFFERSON DAVIS HIGHWAY,  
ARLINGTON, VIRGINIA 22240-5291

SUBJECT: Micro-Purchases

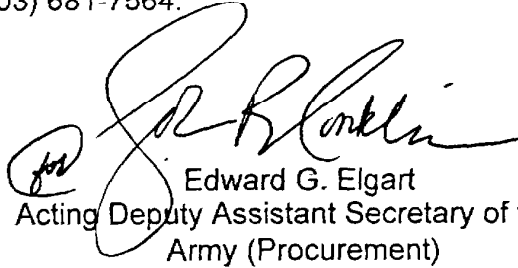
I was recently provided a copy of your May 21, 1997, memorandum, subject as above, by one of our contracting offices. In your memorandum, you ask your center directors to advise you how they will assist the acquisition community with implementing Mr. Longuemare's mandate for SES/GO approval of all non purchase card micro-purchases. You also task your centers with the responsibility to validate the propriety of contracts that are not explicitly permitted by Longuemare's memo.

You may have intended this as a good will customer support gesture since you have the visibility over all such transactions. However, this is to alert you that I find your policy and direction to your centers an inappropriate and *inefficient use of valuable DFAS and Army resources and inconsistent with the principal (non-overhead) mission and functions of DFAS*. We do not need - nor do we want - your assistance in determining the propriety of Army contract actions made without the use of the purchase card.

The Army uses the purchase card for 90 percent of its simplified acquisitions valued within the micro-purchase threshold. Even with this high level of performance, we will perform over 200,000 contract actions this fiscal year by purchasing methods other than the purchase card. Without the experience, training or insight needed to determine if those actions were for non-commercial items, orders against existing contracts or Blanket Purchase Agreements, or where performance will be wholly outside the United States and its territories, your centers will ask our contracting offices to justify each and every one of those actions. We simply do not have the resources to comply with such a policy and, therefore, will not reply to any such requests. Frankly, we are surprised that DFAS has the resources to accomplish this low priority time consuming task.



I am asking you to rescind your direction to your centers. Further, I ask that you coordinate any future policy which has a potential negative or adverse impact (administrative burden or otherwise) on the Army Acquisition Community with me prior to implementation. My point of contact for this correspondence is Mr. Bruce E. Sullivan, (703) 681-7564.



Edward G. Elgart  
Acting Deputy Assistant Secretary of the  
Army (Procurement)